

**Policy on Auditor Independence: Retention  
of External Auditors for Audit, Tax, and  
Other Non-Audit Services**

**University Policy No.:** GV0230  
**Classification:** Governance  
**Approving Authority:** Board of Governors  
**Effective Date:** Sept 2023  
**Supersedes:** June 2016  
**Last Editorial Change:**  
**Mandated Review:** Sept 2030

**Associated Procedures:** [Procedures for Retention of External Auditors for Audit, Tax and Other Non-Audit Services](#)

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**Purpose**

- 1.00 The main purpose of this policy is to minimize actual and perceived risk of conflict of interest and ensure procurement of audit, tax and other non-audit services does not compromise the university's external auditor's independence and their ability to serve the Audit Committee and the Board of Governors.

**Scope**

- 2.00 This policy applies to the University of Victoria and university departments, units, faculties, and research centres. It does not apply to corporate entities overseen by a separate board or other governing body.

**Definitions**

- 3.00 For the purposes of this policy:

“**independence**” means where the auditor and members of the auditor's firm remain free of any influence, interest or relationship which, in respect of their engagement as university auditor, impairs or in the view of a reasonable observer, would impair their professional judgment or objectivity. Independence is further defined within the Chartered Professional Accountants Code of Professional Conduct.

**Policy**

- 4.00 On an annual basis, the Board of Governors approves the provision of audit, tax and other non-audit services by external consultants. However, during the course of regular business, requirements may arise that necessitate additional external consulting services. These services may be provided by external consultants with current contracts provided the services are considered and secured in alignment with this policy, in order to ensure that auditor independence is upheld.
- 5.00 Before arranging for an external consultant to undertake services, those requesting the services must ensure that appropriate approvals have been obtained in accordance with this Policy and Associated Procedures.
- 6.00 The university will not engage its external auditor to carry out any Prohibited Service as noted in the by-laws of the Institute of Chartered Accountants of British Columbia as amended from time to time.

- 7.00 The Audit Committee Chair, in consultation with the Audit Committee, approves a list of pre-approved auditor services that are recurring or otherwise reasonably expected to be provided in the course of normal business (see Auditor Services Pre-Approved list, Appendix 1). This list represents reasonable additional activities for external auditors to undertake without obtaining additional approval and without compromising their independence. The pre-approved list will be updated periodically.
- 8.00 Procurement of services that do not appear on the pre-approved list must be approved by either the Chair of the Audit Committee or by the Audit Committee, depending on the aggregate of fees as articulated in Appendix 1 and in alignment with the [Procedures for Retention of External Auditors for Audit, Tax and Other Non-Audit Services](#).
- 9.00 The Vice-President Finance and Operations will report annually to the Audit Committee the non-audit services provided by the external auditors to the university.

#### **AUTHORITIES AND OFFICERS**

- i) Approving Authority: Board of Governors
- ii) Designated Executive Officer: Vice President Finance and Operations
- iii) Procedural Authority: Vice President Finance and Operations
- iv) Procedural Officer: Vice President Finance and Operations

#### **RELATED POLICIES AND DOCUMENTS**

- [Appendix 1 – Auditor Services Pre Approved List](#)
- [Procedures for Retention of External Auditors for Audit, Tax and Other Non-Audit Services](#)
- [Signing Authority Policy \(FM5100\)](#)
- [Purchasing Services Policy \(FM5105\)](#)
- [Chartered Professional Accountants of British Columbia Act, Bylaws, and Code of Professional Conduct](#)

**POLICY ON AUDITOR INDEPENDENCE  
APPENDIX 1:  
AUDITOR SERVICES PRE-APPROVED LIST**

The following services have been approved by the Audit Committee as reasonable additional activities for external auditors to undertake without obtaining additional approval.

- Audit-Related, provided the aggregate of fees is not more than \$50,000 in any particular fiscal year:
  - Audits required by governments in connection to funds they have provided to the university;
  - Audits required by governments in connection to student enrolment; and
  - Discussion and confirmation regarding appropriateness of new accounting policies.
  
- Any other services, including Tax Services, provided the aggregate of fees is not more than \$5,000 in any particular fiscal year:
  - Advice relating to sales tax – GST and PST;
  - Advice relating to tax issues relating to employment relationships; and
  - Advice relating to the tax issues for donations except for donations involving substantial corporate, business, or real estate assets.

The Audit Committee Chair may approve the following:

- Audit-Related services when the aggregate of fees is between \$50,000 and \$300,000 in any particular fiscal year
- Any other services, including Tax Services, when the aggregate of fees is between \$5000 and \$300,000 in any particular fiscal year

The Audit Committee may approve any service when the aggregate fees exceed \$300,000 in any particular fiscal year.

## **Procedures for Retention of External Auditors for Audit, Tax and Other Non-Audit Services**

**Procedural Authority:** VP Finance and Operations  
**Procedural Officer:** VP Finance and Operations

**Effective Date:** Sept 2023  
**Supersedes:** January 2018  
**Last Editorial Change:**

**Parent Policy:** Policy on Auditor Independence: Retention of External Auditors for Audit, Tax, and Other Non-Audit Services

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- 1.00 An external auditor as appointed by the Board of Governors may be engaged to provide additional advice and services beyond those outlined in their original contract. To procure a subsequent contract for services a proposal must be made to the Associate Vice-President Financial Planning & Operations. The Associate Vice-President Financial Planning & Operations will consult with the Vice President Finance and Operations as necessary to determine if further approvals are required in accordance with this Policy. The engagement may not commence until approved. The Director, Internal Audit, may also engage external audit and proceed with appropriate approvals as outlined in 5.00 and the Auditor Services Pre-Approved List.
- 2.00 A proposal to request the retention of an external auditor for audit, tax or other non-audit services will include at minimum: the nature and scope of the service to be performed, the estimated fee, a statement that the service is not a Prohibited Service and the reason the external auditor is being engaged.
- 3.00 The Associate Vice-President Financial Planning & Operations can approve any service on the Auditor Services Pre-Approved List if the estimated fees are less than or equal to the threshold amount as listed therein. Procurement must proceed in alignment with the [Purchasing Services Policy FM5105](#).
- 4.00 The Associate Vice-President Financial Planning and Operations will submit the proposal for the retention of an external auditor for audit, tax or other non-audit services to the Vice-President Finance and Operations for any service required that is:
  - a) on the Auditor Services Pre-Approved List with estimated aggregated fees that are greater than the threshold amount, or
  - b) not on the Auditor Services Pre-Approved List.
- 5.00 The Vice-President Finance and Operations or Director, Internal Audit will obtain the appropriate approvals, either from the Chair of the Audit Committee or to the Audit Committee, depending on the fee threshold as outlined in the Auditor Services Pre-Approved List. The engagement may not commence until approved by the Chair of the Audit Committee.
- 6.00 Despite the foregoing, if the approval of the Audit Committee is required for any such services as more particularly set out in the Auditor Services Pre-Approved List, the Vice-

President Finance and Operations or Director, Internal Audit will consult with the Audit Committee Chair to facilitate such approval.

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